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GHANA —
A STUDY OF AN EMERGING COUNTRY
EVAN J. VAUGHAN, JR.

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-GHANA-

A STUDY OF AN
EMERGING COUNTRY

By

Evan J. Vaughan, Jr.
Lieutenant, United States Navy

In recent months much of the world's attention has been directed toward the newly independent nations of Africa. We in the United States should be particularly concerned with Africa because it represents a proving ground upon which can be tested the postulate that democracy as a form of government and free enterprise as an economic institution have an application in nations other than our own.

Since Ghana was the first of the new African nations to gain independence and is therefore at least chronologically the most advanced, it is felt that an examination of its progress will give some insight into what we can expect from other African nations in the years to come.

May 1962
Master of Science in Management
Navy Management School

CHANA
A STUDY OF AN
EMERGING COUNTRY

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A Research Paper

Presented to

the Faculty of the Navy Management School

U. S. Naval Postgraduate School

Monterey, California

* * * * *

In Partial Fulfillment

of the Requirements for the Degree

Master of Science in Management

* * * * *

By

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Lieutenant, United States Navy

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STATEMENT OF PURPOSE

In recent months much of the world's attention has been directed toward the newly independent nations of Africa. A religion of nationalism has swept across the dark continent; leaving in its wake millions of illiterate people who have gained an independence which they can not understand from colonial masters which they would not understand. In some cases, ties which have existed for six hundred years have been severed over night. Constitutions which are supposed to last a thousand years have been hurriedly drawn because the people could not wait six weeks. Africans everywhere are demanding the right of state and the right to follow their own purpose.

We in the United States should be particularly concerned with Africa because it represents a proving ground upon which can be tested the postulate that Democracy as a form of government and free enterprise as an economic institution have an application in nations other than our own. Almost without exception, all of the newly independent nations of Africa have adopted a form of government which, although generally more socialistic than that of the United States, is basically Democratic in nature. Americans are not naive enough to expect immediate success. We realize that these things take time.

state, which itself is far from perfect. Yet, perfection is really not the question. The question is whether or not the political and economic values which we of the western world hold in such high esteem can be introduced and maintained in an emerging society. Can the vast, raw continent of Africa, which has been locked away from the influence of civilization, so much abused as the instrument of other nations, and in which a perilously small fraction of the population have any knowledge of the arts and sciences necessary to conduct a modern state, hope to give anything more than lip service to the ideals of democracy. Will these nations be as much in favor of democracy when it comes to practicing it as they were when they demanded it?

It is universally recognized that if any of the African nations have a chance of success it is Ghana. Ghana, that small (91,843 square miles) west African country which was formerly the British Gold Coast Colony. Ghana was the first independent government composed entirely of Africans to be set up in an area once ruled by a colonial power. Nationalism and independence came to Ghana without the bitterness that repressive colonialism has produced in other parts of Africa. The movement for self-government expressed itself largely as a revolt against paternalism, taking the form of resentment against an alien ruler. The official view of the British toward the Colony has

balanced political advance at all levels. It was a joint enterprise between senior (British) and junior (Gold Coast) partners. With very few misgivings, the British granted Ghanaian independence freely and with a spirit of encouragement and cooperation. Britain had given the Gold Coast not only economic aid and social service but had helped to develop the essential elements which go to make up nationhood - a disciplined and experienced civil service, trade unions, an impartial judiciary, and, most important, representative and responsive political institutions. There had been long years of careful tutelage in parliamentary procedure and there had been built up an "elite" with proved capacity for leadership. The British policy of gradual transfer of power had advanced to the stage where most important governmental posts were already filled with elected native officials. Even the tribal chiefs were elected and could be deposed by popular vote. The evolution from dependency had come about rationally on the basis of mutual respect and partnership.

Ghana was born without many of the problems which have proven so disruptive of progress in other African nations. There was no "plural community" - that is, there was no large scale immigrant population of white settlers (as in Central Africa), or of Indian merchants (as East Africa). All land was owned by the natives;

fore no issue of apartheid such has since beset Kenya. There was a dollar surplus and the treasury was completely solvent. In comparison with other underdeveloped countries it was extremely wealthy (the per capita income of \$140 per year, while meager by our standards, looked very good when compared with the average African per capita income of only \$40 per year). Gold Coast was not over-populated. There was no color bar and no racialism. There was no Communist Party - and no prospects of one. There was an authentic sense of Ghanaian nationhood, a tangible patriotism which promised to overcome the differences which had historically separated Ghana's tribes. Ghana had a growing middle class, a sound economy, and did not owe a dollar to anybody. It had an American educated Prime Minister, who, in the fashion of Lloyd George, was somewhat of a demagogue as well as a statesman.

In all, everything favored Ghana becoming the showplace of democracy in Africa. Ghanaian independence was seen as a "sure thing" test of African maturity. The Ghana-type independence was heralded as the West's best antidote to communist anti-imperialist, anti-colonialist, "Champion of the Black" claims. Black men everywhere regard Ghana as tangible proof that the African negro, too, can run his own affairs.

...and yet, things have not gone well in Ghana. There is a creeping suspicion that perhaps early interpretations were a bit over-optimistic, perhaps Ghana's prospects were emphasized and its problems deemphasized. Ghana's leader has begun to say that you can not transplant, intact, western democracy into impoverished and illiterate hands, and that Africa must develop its own democracy. The question now is whether or not the end product will be recognizable.

This paper will attempt to trace in some detail the economic and political development of Ghana as a model of over-all West African development. In a sense, Ghana might be thought of as a micro-cosm of the whole area south of the Sahara. Since the backgrounds of many of the new nations are in many ways similar, and since Ghana was the first of the new nations to gain independence and is therefore at least chronologically the most advanced, it is felt that an examination of its progress might give some insight into what we can expect from other African nations in the years to come. These young African nations represent an experiment the outcome of which will surely change the course of history. It is essential that we make a genuine effort to understand them and the problems they face, for, we are all to be affected by what happens in Africa; whether we like it or not.

A History of Ghana and W. W. Claridge's A History of the Gold Coast and Ashanti, which should be required reading for anyone who desires a complete account of the early history of Ghana. However, much has happened in Ghana in recent years and there is not to my knowledge anything approaching an acceptable summary of these events. While I do not pretend to be an expert on Africa, and indeed have never even been to Africa; I have done extensive preparatory reading, and it is upon such study that this report is based. My hope is that this paper will, for the layman, make some sense out of the myriad of conflicting accounts, accusations, and counter-accusations which have poured out of Ghana and into our periodicals and newspapers in the past few years.

CHAPTER I

EARLY HISTORY

From early times the Western Sudan was known to be the home of a civilized Mohammedan empire and to be rich in gold, ivory, and spices. The vast Sahara had made it impossible for European traders to reach the source of these treasures via an overland trade route. It is perhaps in hopes of finding a sea route to the source of the gold supply that Prince Henry of Portugal set out in the early part of the fifteenth century to plan and organize exploring expeditions along the west coast of Africa. Port Bojador had been until that time the southern extent of European and Arab knowledge. Cape Bojador was a formidable obstacle for it was protected by a dangerous reef and heavy surf which required seamen to stand well out to sea in order to safely pass. The land and sea alike beyond the cape was well known to be inhabited by devils; and should one escape the devils he was sure to be burned black by the increasing heat of the sun. Prince Henry sent several expeditions to try to pass Cape Bojador but each returned unsuccessful until in 1433 the Portuguese Captain Gil Eannes, under orders from Prince Henry to pass the Cape at all costs, stood boldly out to sea, passed the Cape, and made his landfall again on the coast

and from that time on progress along the African coast was steady.

As the European sea captains cautiously investigated the coast, they named the different stretches of coast according to the principal cargo they found there. Thus the Grain Coast (now Liberia), the Slave Coast (now Togoland and Nigeria), the Ivory Coast (still the Ivory Coast though it exports only a negligible amount of ivory), and the Gold Coast (now Ghana). In 1471 Fernao Gomez, under contract from the King of Portugal, actually reached the Gold Coast itself. The entire area was rich in gold and such a busy trade in gold dust sprang up that Gomez soon made his fortune. In 1474 the contract with Gomez expired and the monopoly on the trade was taken over by the Portuguese government. In order to secure the trade against foreign competition and from interruption by hostile tribes, the Portuguese built a fort in the vicinity of the mouth of the Pra River near what is today the town of Cape Coast. Thus the first white settlement was established on the Gold Coast.

The portion of land which these early explorers and traders named the Gold Coast is located on the Gulf of Guinea at approximately 07° - 08° N and 02° - 08° W. In general, the face of the land is an undulating plain, as is characteristic of that part of West Africa. There are no very high places in the Gold Coast. The source of the

public) is only 1,200 feet above sea level and the highest hills within the Gold Coast itself are between 2,500 and 3,500 feet high. The most conspicuous feature on the physical map is the Kwahu Scarp which runs for some one hundred and eighty miles from northwest to southeast about forty miles inland and due north of what is now Accra. The Kwahu Scarp is in many places a sheer cliff rising several hundred feet above the forested plain below. The Kwahu Scarp forms the southwest boundary of the Volta River basin and a whole row of small rivers flow from its southern face directly to the sea.¹ The Scarp is important because of its influence on rainfall and vegetation. The prevailing wind for most of the year is from the southwest, it comes laden with moisture from the ocean which it precipitates on the seaward face of the Kwahu Plateau. Thus the country is divided into a densely forested area to the south of the Scarp and a dry savannah and grass area to the north. The forested area of the Gold Coast is also the mining area; a fact which was to have considerable economic and political importance as time went on.

¹There are no natural harbors on the Gold Coast. As late as 1920, Lagos, in Nigeria, was the only modern West African port south of Dakar. "The Last Days of an Old Port," *Fortune*, LXIII (May 1961), pp. 90-97.

Volta. The Volta has a total length of some nine hundred miles; it rises to the north of the Gold Coast in the plateau area of the great Niger River and is formed by the junction of the Black Volta on the west and the White Volta on the east at a point about two hundred and fifty miles from the sea. The Gold Coast might be thought of as the lower basin of the Volta River much as Nigeria is the lower basin of the Niger.

The climate of the Gold Coast is as important in the development of the country as are any of its physical features. In the early days the Gold Coast was known as the "White Man's Grave" because of the malaria, tuberculosis, yellow fever, smallpox, and sleeping sickness which ran rampant in the damp heat. Along the coast and in the forested area the temperature usually averages about 85 and the relative humidity is usually in excess of 80. Beyond the forested area the relative humidity drops considerably and the temperature range is much more extreme; the hot weather is hotter and the cold weather is colder. Along the coast there are two rainy seasons, from April to July and from September to November. To the north of the Kwahu Scarp there is only one rainy season, from April through October. Both the north and the south experience a severe dry season from November to March during which the northeast trade wind

wind dies down and before the rains come there is a period of several weeks when the air is completely still and lifeless. All in all, it is not a very pleasant place to live.

It is rather surprising, but historians seem to agree that the natives which the Portuguese found on the Gold Coast had themselves just arrived or were still arriving. It is generally believed, although this theory is by no means universally accepted, that the early tribes of the Gold Coast were groups of Akan peoples who migrated from the north to escape persecution by Islam. These Akan people were supposedly members of the great Negro Kingdom of Ghana (from which the modern Ghana takes its name) which flourished during the medieval period and covered a vast expanse of territory from Nigeria in the east to Senegambia in the west. Ancient Ghana attained a high degree of civilization and carried on extensive trade with the outside world, exporting gold, ivory, animal skins, cotton, and corn to such countries as Spain and Portugal. In 1076 A.D. the Kingdom of Ghana fell before the Moslems and the Akan people, rather than accept subjugation, retreated down the valley of the Niger and Volta Rivers; first entering the Gold Coast area about 1200 A.D.² These people came

²"Joy on the Gold Coast," Newsweek, XLVIII (October 1956), p. 4

strong enough to establish themselves permanently in a particular place and to force those who came later to either go around them or to stop before them. There were constant wars between the various tribes and each one in turn seems to have had its day. As a result, the final wave of immigrants had settled in the coastal area only slightly before the arrival of the Portuguese.³ There seems to be a singular lack of written records covering these early events, and most accounts are based on a series of logical deductions. In a very real sense, the end of the fifteenth and the beginning of the sixteenth century may be taken as the beginning of Gold Coast history.

While the Portuguese "Guinea Trade" flourished, attempts were still being made to find a sea route to the rich markets of India. In 1494 Vasco De Gama made the first successful Indian voyage; and from that time on the Portuguese government's interest in the Gold Coast fell off markedly. The forts which the Portuguese had built and the garrisons which maintained them were badly neglected as a result of the government's preoccupation with the Indian trade. By 1530 the forts could no longer maintain the trade monopoly and the French were trading openly all along the Gold Coast. The first

³The chief tribal divisions in Ghana are shown on the map at the end of this paper.

Portuguese protests, the voyages increased in number until by 1560 the English too were engaged in a lucrative trade all along the coast. After 1560 European activity on the Gold Coast was in a slack period due to more promising new world ventures. In 1580 Portugal was conquered by Philip II of Spain and the Portuguese holdings on the west coast of Africa were thus thrown open to attack by Philip's revolted subjects in Holland. The Dutch first went to the Gold Coast in 1595, and by 1598 they had established four forts of their own.

Meanwhile, events in the new world were reviving English interest in the Gold Coast. English settlers were establishing themselves in the West Indies, and there was arising a great need for slaves to work the sugar plantations. A keen rivalry sprang up between the British and the Dutch for the profitable slave trade; and the British belatedly built their own fort at Kormantine in 1631. In 1640 the Portuguese revolted against Spain, gained their independence, and immediately got into a war with Holland over Brazil. By the treaty of peace which ended the war the Portuguese gave up their rights to the Gold Coast in exchange for Dutch rights in Brazil; and thus ended the Portuguese rule on the Gold Coast.

With the departure of the Portuguese, the Dutch moved in to establish a monopoly of their own. However, the wealth to be made

Dutch found themselves, treaties notwithstanding, unable to secure a firm position. In the early 1700's the Gold Coast was regularly visited by English, French, Danish, Swedish, and German traders; and by the year 1786 the combined European export of slaves from Africa had reached 74,000 per year.⁴ Throughout the seventeenth and eighteenth centuries there was a constant building, selling, attacking, capturing, and exchanging of forts among and between the various European powers and the natives themselves.

The French, except for an abortive effort in 1688, never really made a serious attempt to establish themselves on the Gold Coast; being content to strengthen their position farther north on the Senegal. The Swedish and German ventures were also both short lived. The Danish established their sphere of influence in the extreme eastern part of the Gold Coast. The British and the Dutch emerged as the strongest powers in the Gold Coast proper.

In 1850 the Danes sold all their forts to the British and pulled out of the Gold Coast. The Danish forts had been built in the arid coastal strip east of Accra where there was little chance of developing a trade in tropical crops. The slave trade had been their great

⁴W.E.F. Ward, A History of Ghana (London: George Allen and Unwin Limited, 1958), p. 87. It should be pointed out that the supply of slaves to the ships was entirely in African hands. The Africans jealously guarded their monopoly of the trade.

1794 the forts on the Gold Coast became a liability.⁵ In 1867 the Dutch and the British concluded a treaty that was designed to remedy the fact that the British and Dutch forts were intermingled and to establish a frontier between the tribes over which each had assumed jurisdiction. Forts were duly exchanged; the British occupying those to the east of the Sweet River and the Dutch occupying those to the west. In 1872 the Dutch, after years of trouble with the natives, finally ceded all their possession on the Gold Coast to the British and took their departure.

During this same period there was also a great series of wars, and migrations, and consolidations of states among the Gold Coast tribes themselves. The native states which exist today all came about through a series of military conquests. The many wars, alliances, treaties and confederations in which the natives took part during this period are wearisome and confusing to attempt to follow in detail. The notes to the land on which the Europeans had built their forts changed hands from time to time and the Europeans thus became a partner to several alliances and through these alliances took an active part in much of the fighting. The eventual outcome of it all

⁵J. D. Fage, An Introduction to the History of West Africa. (Cambridge: The Cambridge University Press, 1961), p. 101.

interior and the Fanti along the coast.

The Ashanti Confederation was in the beginning a military alliance of a group of small inland tribal states. Through a series of military conquests and aided by some very fine statesmanship the various Asantehenes (kings) of Ashanti managed to build up a fighting force which would have put many European armies to shame. The Ashanti people were at one time or another at war with almost every tribe on the Gold Coast. They were constantly attempting to expand their frontiers in all directions; a policy which was mainly caused by economic necessity. Ashanti was an inland country, and owing to the middleman activities of the coastal tribes, European goods could only be obtained from the coast at exorbitant prices. The Ashanti people, of course, wanted the European goods, and imports must be paid for by exports. The export most desired by the Europeans at the time was slaves. The best way to get slaves was to conquer them. Thus the Ashanti wars served double duty for the Ashanti people - they provided slaves and they eliminated the middleman.

The Fanti states, owing mainly to their more advantageous position along the coast, developed a character quite different from that of the Ashanti. Where the Ashanti Confederation was a highly centralized organization of military-minded tribes, the Fanti were a

with the European merchants. The Ashanti, being always the aggressor, several times defeated the Fanti army and sacked the villages. After each victory the Ashanti, once they had seized all the valuables, retreated back into the interior where they remained until one Fanti tribe or another failed to forward to them the tribute which they demanded by right of conquest. The Europeans were always aligned with the Fanti against the Ashanti, but it was many years before anyone was able to bring the great warriors under control.⁶

⁶It must be kept in mind that at this time European authority was limited to the area which the guns of their forts could command. Although they had mutual protection treaties with many of the Fanti tribes, they could in fact only offer protection to the natives living in the immediate vicinity of the forts. When European soldiers did venture into the field they met with limited if any success.

CHAPTER II

THE BRITISH ON THE GOLD COAST

British activities on the Gold Coast, like those of most European countries, were originally in the hands of commercial trading companies chartered by the government. The British forts on the Gold Coast were maintained by the government in exchange for a percentage of the profits which the trading companies secured. Because the forts were thus maintained by Parliamentary grant, the government demanded that from time to time the trading companies give an account of the manner in which they administered the Gold Coast settlements. As time passed, there was growing criticism of the companies' control of the forts and the idea that the Crown should take over the government of the settlements began to gain ground. The companies themselves were not entirely adverse to the idea since their main concern was with commerce and not with politics. In 1807 the British government abolished the slave trade and from that time on the trading companies' affection for the Gold Coast steadily decreased.

The first British official directly appointed by the Crown arrived on the Gold Coast in 1819. In 1821 the British Parliament passed an act which abolished the African Company entirely and the Gold Coast

Leone. In 1826 Ashanti invaded the Fanti country and captured the notes to the land on which the British forts stood. The British managed in turn to defeat the Ashanti and recapture the notes. As a result, by right of conquest, the land upon which the British had built their forts became the absolute property of the Crown. By 1872, as previously indicated, England was the sole European power left on the Gold Coast.

At first the Crown's authority on the Gold Coast was limited to judicial matters which the natives brought to them for mediation; the natives themselves remaining entirely independent of the British government. Gradually the British influence grew, and by the Bond of 1844 that portion of the Gold Coast which was later to become the "Gold Coast Colony" was placed under British protection.

The people of the protected territory were mostly members of Fanti tribes, a fact which was to involve the British in seven semi-successful wars with the invading Ashanti. Throughout the period the British, for one reason or another, failed to follow up any advantage they gained from the Ashanti, and it was not until the famous Black Watch was sent to the Gold Coast in 1874 that the British finally succeeded in actually invading Ashanti territory and burning their capital at Kumasi. In that same year the "Gold Coast Colony"

although Ashanti maintained its independence from the Crown, the Ashanti were thereafter kept more or less under control. In 1901, spurred on by the threat of French and German colonial expansion on both sides of the Gold Coast, the British finally annexed the Kingdom of Ashanti and the territory to the north of Ashanti.⁷ The northernmost territory in the Gold Coast was to be known, appropriately, as the "Northern Territory." Thus, the British Colony of the Gold Coast as it existed on the day of independence was formed. The eastern boundary was formed by the Anglo-German Boundary Commissions of 1886 and 1888. The western and northern boundary was established by three Anglo-French Boundary Commissions in 1889, 1893, and 1898. Of course, the boundaries thus drawn were determined without reference to African wishes, with the result that both on the east and on the west African political units were divided by arbitrary frontier lines.

Politically, the British followed their traditional system of Colonial Government. The initial colonial constitution provides for a central government composed of a Governor (High Commissioner or resident), an Executive Body, and a Legislative Council. The Governor has ultimate authority over the affairs of the colony usually with the

⁷W. E. Simnett, The British Colonial Empire (London: George Allen and Unwin Limited, 1949), p. 74.

any bill rejected by the Legislature when such an over-ride was deemed "expedient in the interest of public order, public faith, or good government."⁸ The Executive Body is usually composed of five or six members whose function it is to advise the Governor. At its inception the Executive Body is made up entirely of British officials responsible only to the Governor. Eventually the British officials are replaced, first by members appointed from the Legislature by the Governor, and later by members popularly elected from and by the Legislature. In the last stages of the Colonial government the elected members of the Council are given charge of a government department and the Council becomes much like a cabinet whose responsibility is no longer to the Governor but rather to the Legislature and through the Legislature to the people.

The Legislative Council is originally composed of British officials (majority) and leading citizens appointed by the Governor. Later, some of the appointed members are elected by the people, the number gradually increasing until elected members are in the majority. The elected members are selected in the following way: the people of a particular village elect a member of their group to sit on a District Council,

⁸Sir Charles Jeffries, Transfer of Power (New York: Fredrick A. Praeger, 1961), p. 34.

and the Regional Council elects members to sit in the Central Legislature. In the stage of development which normally just proceeds independence, the members of the Central Legislature are directly elected by the people from candidates nominated by political parties.

The first Legislative Council was set up in the "Gold Coast Colony" in 1874; but until 1925 there were no elected members in the Council. In 1925 a new constitution provided that six of the fourteen unofficial members of the Council be elected. In 1946 still another constitution provided that the number of elected officials be increased to the point where elected officials held the majority. The 1946 Constitution also provided that Ashanti be represented for the first time (prior to 1946 the Governor had legislated for Ashanti and the "Northern Territory"). The placing of the legislature in the hands of elected officials marked a stage of constitutional advance which had hitherto not been attained by any other colonial territory in Africa.

By 1946 all high posts in the government were theoretically open to Africans, however, they were, in fact, still held by officials of the United Kingdom. Under the 1946 Constitution the Executive Council contained African members but they were not elected from the members of the Legislature and thus were not responsible to the Legislature but directly to the Governor. Their position was not one of making

by the British officials.

The 1946 Constitution was, in general, greeted by the Gold Coast people with much enthusiasm. However, it was still a long way from self government and it failed to solve the most pressing political problem - that is, what to do about the native chiefs. From the beginning of British rule right up until today, the question of the relationship between the Central Government and the traditional native authority has been the most important and difficult problem which the Gold Coast governments have had to solve. The British took the position that the native chiefs could exercise no legal power until such power was granted to them by the Crown. Many African leaders, on the other hand, claimed that the rights of the chiefs were inherent and in no way derived from the Crown. The British in an attempt to satisfy both the need for a strong Central Government while maintaining the traditional tribal associations, passed a number of ordinances which delineated in some detail the powers which belonged to the Central Government and those which belonged to the chiefs. These ordinances, of course, failed to placate the native authorities who claimed that the British system of indirect rule was a farce. There was indirect rule in trivial matters and in matters of particular interest to the village folk, but in major affairs, that is

Coast was ruled directly. In addition, the British position was made even more untenable by the reactions of the new educated leaders of the Gold Coast to the ordinances. The educated leaders could see that the hope for independence lay in the establishment of a smooth running Central Government. They ridiculed the mysticism and fetishism so often associated with the rule of the native chiefs, and they fought every move which did not in one way or the other detract from the power of the chiefs. The British were therefore caught between the two conflicting forces and every move the government made was sure to offend someone. It was a problem which the British never were able to solve and they left it as a legacy to the new independent government in 1957.

While the 1946 Constitution was not entirely satisfactory from a political viewpoint, it was economics and not politics which brought about the most severe criticism of the government. There were two major grievances. The first concerned the threat to the cocoa industry by a disease known as "swollen shoot." It was a virus disease carried by an insect known as the mealy bug. The disease could spread rapidly through a whole grove of cocoa trees once it got a start, and as there was at the time no effective insecticide, the government agricultural officials felt that the only way to combat the

In some cases this meant that a cocoa farmer's entire farm might need to be destroyed. The cocoa farmers, because they did not understand how a virus worked and because they refused to believe that the disease could utterly destroy the entire industry, refused to obey the government order to cut down the trees. They accused the government of all sorts of schemes which were designed to make the new freedom gained under the 1946 constitution meaningless. The government was determined to wreck the country's economy, to make the land worthless and then to buy it up for almost nothing, to destroy the Gold Coast cocoa industry and thus give Trinidad and Nigeria a chance to compete, and so on. What good was freedom without a sound economy to back it up?

At the time when the government thus had its hands full with the farmers, other events were taking place which put the officials also in the bad graces of the townspeople. In the period following WW II the world price for cocoa had soared with the result that there was

⁹The mealy bug is extremely difficult to exterminate. The bug is associated with a ground ant which builds a protective tent over the bug as it attacks the roots of the cocoa tree. The ant then feeds from the bug's honey. John Gunther, "Inside Africa's Gold Coast," Colliers, CXXXIII (May 1954), pp. 34-40.

pean firms had not yet fully converted their plants to the production of peacetime goods. With so much money in the hands of the Gold Coast people and such a scarcity of goods, it was inevitable that prices for the available goods would climb rapidly and the black market would flourish. The people, of course, blamed the government for the high prices, claiming that the government was in collusion with European suppliers who were keeping prices high in retaliation for the high price they had to pay for cocoa.

The British Government seemed powerless to do anything about the problem of the farmers or that of the townspeople. Burning the cocoa trees was the only known way of stopping the spread of the "swollen shoot." The only way to cut high prices was to import more goods, which at the time was impossible. Unrest and uneasiness grew, and on 28 February 1948 things came to a head.

A group of ex-servicemen, who were finding it difficult to readjust to their humble position in civilian life after having seen what the rest of the world was like, asked for permission to hold a rally in Accra and from there to march in procession to the Governor's castle in order to present a petition concerning the ex-servicemen's grievances against the government. They were told that permission could not be given for a large group of men to march to the Governor's castle,

they could hold the rally and thereafter, in order to draw public attention to their grievances, they could march through the streets of Accra if they so desired. The petitioners accepted these conditions without objection.

As the procession marched through the streets, it was joined by others who were not ex-servicemen. The group soon left the prescribed route of march and turned towards the Governor's castle. A short way from the castle they were met by a small force of armed British police. The mob took no heed of the order to disperse, or of the warning that force would be used if necessary. The police tried tear gas which was ineffective; and, after several were injured by stones, they fired. Six shots were fired; two of the ringleaders were killed and four others wounded. The mob did not disperse until troops arrived about an hour later. Rioting had meanwhile broken out in Accra; the central prison was stormed and the inmates released. The Government refrained from attempting to halt the riots on the grounds that looting was preferable to the killing which was sure to take place should an open clash between the rioters and the police be precipitated. Rioting spread to several other cities, but in a few days the force of the mob had spent itself and things were nearly back to normal.

In the meantime, the leaders of the Gold Coast Convention, a

ized opposition to the government, seized upon the opportunity to assert themselves. They sent a telegram to the government in London claiming that civil administration had broken down and offering their services in forming an interim government. However, the Gold Coast government hurriedly restored order itself and shipped the leaders of the Gold Coast Convention to distant parts of the country so as to keep them from causing further trouble.

The government in London appointed a Commission to inquire into the disturbances and their underlying causes. The Commission's report amounted to a sustained criticism of the Gold Coast government. The main causes of the rioting were found to be: the "swollen shoot" problem, the discontent of the ex-servicemen over pensions and re-settlement, high prices, political frustration among the educated natives over the inadequacy of the 1946 Constitution, and the concentration of economic power in the hands of Europeans. The Commission felt that the Gold Coast government was completely out of touch with the feelings of the people, and recommended, even though the grievances of 1948 were mainly economic, that it was time for further constitutional advance along with improvement in the government's public relations program.

As a result of these recommendations, the government in London

tails of a new constitution. This Commission made extensive proposals for changes in both the central and local governments. Principally, it recommended a clean break with the traditional form of colonial government and the establishment of a government very similar to that of Britain. The new Legislature was to have an upper and lower house composed almost entirely of elected officials or, barring that, a single house of one hundred and sixteen members also mostly elected. The Executive Council was to take a form similar to the British Cabinet except that it would not be a party cabinet but rather a cabinet composed of members elected from and by the Legislature (or Parliament). The Governor was to be the chairman of the twelve man Cabinet and the elected members, who were to have Department responsibility, were to resign as a body if defeated on a division. The members of the Parliament were to be elected directly by the people. The franchise was to be given to all taxpayers over the age of twenty one.

The government in London accepted the proposals of the Commission as representing a worthy goal to be attained as soon as possible but one which under the circumstances was impractical. The chief difficulty in accepting such a system was that at the time there was not a real political party worthy of the name on the Gold Coast. Without party leadership the African officials would still be in the position

tiating policy themselves. After all, if the system was to function, as was its intention, in a manner similar to that of the London government it was necessary to have both party leadership and a loyal opposition.

At this point there seemed to be no doubt in anyone's mind that the Gold Coast was moving rapidly toward independence, the only question seemed to be how soon independence would be attained. It might be wise to digress here for a moment to investigate the reasons why events at this particular time seemed to be moving rapidly toward Gold Coast independence.

The reasons are both internal and external to the Gold Coast itself. Internally, there was a natural maturity of an educational system which by the mid 1930's had begun to turn out graduates with the training and confidence to occupy responsible positions and the ability to voice their political discontent.¹⁰ In addition, there had been an increase in the number of people living in the towns with the resultant

¹⁰Education began on the Gold Coast in mission schools established by the Methodist, Catholic, Basel, and Bremen churches. Achimota College (later the University College of Ghana) was established at Accra in 1924. In 1951, the Colonial Government built a technical college at Kumasi. The British sent a good number of gifted natives to European schools; however, the type of education these people received has been the subject of much criticism since it prepared them to enter a profession rather than a technical field. The Gold Coast had a greater need for carpenters than it did for clerks.

detachment from old tribal ties and the increasing responsiveness to the new, more educated leaders. Servicemen returning from the war had had their horizons broadened by what they had seen in other parts of the world. The people who had remained at home during the war expected to be rewarded for the loyalty to the home government which they had demonstrated. The widely publicized communist doctrine of anti-colonialism, anti-imperialism, and exaltation of the "toiling masses" probably influenced the thinking of the Gold Coast people, even though they did not consciously accept the doctrine or even identify it as such. The educated Gold Coast leaders were aware of events in India, Ceylon, and Burma, and they could easily sense that Britain was relaxing her political grasp and that perhaps now was the time to strike while the iron was hot. All of these factors were aided and abetted by the fact that the British policy of civil liberty in the Colony permitted the local press to damn all acts of the government--good, bad, or indifferent.

Externally, the world was a different place than it had been before the war. Britain had been wrecked by the war and this subtly altered her position as a ruler of colonial peoples. The United Kingdom had faced extreme danger and had been forced to ask for strenuous military and economic service from her colonies on a basis of willing cooperation. The British Labor Party had grown in strength

in the Colonies toward self-government. The United Nations in general and the United States and Russia in particular were applying pressure for self-determination for all peoples. And finally, the British themselves felt that they could not morally subdue the agitation for self-government by repressive force, and there was therefore no alternative but to grant the people their wishes. All in all, it might be said that the time was simply right.¹¹

At any rate, if the British Government was concerned about the lack of a solid political party on the Gold Coast its anxiety was to be soon relieved. In June 1949, while the Commission was in the midst of its deliberations on constitutional advance, the Secretary of the Gold Coast Convention broke with the party and instituted a new party to be known as the Convention People's Party (CPP). The Secretary's name was Dr. Kwame Nkrumah - but in years to come he was to be better known to the Gold Coast people as "the redeemer," "the

¹¹The British had long claimed that they were preparing the dependent territories for eventual self-government, however, it was not until the advent of the Labor Government of Clement Attlee that any British government officially adopted the policy of looking toward self-government for all dependent territories as soon as they were capable of it. The policy was stated in a white paper issued by the British government in June, 1948: "The central purpose of the British colonial policy is simple. It is to guide the colonial territories to responsible self-government within the commonwealth in conditions that insure to the people concerned a fair standard of living and freedom from oppression in any quarter." Stewart E. Easton, The Twilight of European Colonialism (New York: Holt, Rinehart and Winston, 1960), p. 31.

Kwame Nkrumah was born in 1909 in a small village near Axim. He received his early education in a Catholic mission school and then spent four years at Achimota College preparing to be a teacher. In 1937 an uncle agreed to finance his voyage to the United States in order that he might further his education. Once in the United States, Nkrumah enrolled at Lincoln (Pa.) University where he majored in economics and sociology; working his way through school by waiting tables and working as a dock hand during the summer. Upon graduation from Lincoln in 1939 he entered the University of Pennsylvania where he took his Masters degrees in Theology and Education.¹² At the close of WW II he went to London where he studied law, however, he failed his examinations and was not admitted to the bar. At the age of thirty-six he was broke and living in a shabby lodging in the east side of London. In 1947, Dr. Joseph P. Danquah the leader of the Gold Coast Convention, casting about for an energetic young man to take charge of the Gold Coast Convention party machine, asked Nkrumah to return home and take the position as paid Secretary of the Party. Nkrumah consented. He soon proved to be a first rate organizer and under his direction the party machinery began to take shape. However, he soon

¹²Nkrumah holds an honorary LL.D. from Lincoln University. "Redemption's End," Time, LXXVII (January 1961), p. 45.

with regard to independence. The party stand was for independence as soon as possible: Nkrumah, on the other hand, advocated "self-government now."¹³ When Nkrumah bolted from the party in 1949 he took the Gold Coast Convention's political machine and most of the party members with him. Under Nkrumah's leadership the CPP immediately embarked on an energetic program of non-violent strikes and boycotts designed to bring the economy to a standstill and thus bring greater pressure to bear on the British government. However, the strikes soon got out of hand and rioting broke out in many of the villages. As a result, Nkrumah and some of his aides were arrested for sedition and sentenced to jail.

Despite the rioting and uneasiness, or perhaps because of it, the government in London was determined to go ahead with its plan for constitutional advance on the Gold Coast. While the leaders of the CPP were still serving their terms in jail, the government announced its plan for the new constitution. In general the government's plan followed the recommendations of the Commission. There was to be a Legislative Assembly of one house, containing seventy-five elected and nine nominated officials. Thirty-eight of the elected members were

¹³"Ferment on the Gold Coast," Reader's Digest, LXII (May 1953), pp. 139-142.

pointed through four State Councils of the native authorities (the Colony, Ashanti, the Northern Territory, and Trans-Volta). The Executive Council was to have the Governor as chairman, three European members, and eight African members elected from the Assembly. The African members were to have ministerial responsibility.¹⁴

The new constitution, while a long step forward, could hardly be considered "self-government now," and there was much conjecture as to what the reaction of the CPP would be. It was here that Dr. Nkrumah gave the first evidence that he was something more than just an agitator. While making it quite clear that he was by no means completely satisfied, he promised that the CPP would have a go at it and that the party would take part in the elections to be held in February 1951.

The government then undertook the formidable task of conducting a general election in a country where 80% of the population was illiterate. The first step was to recruit one hundred educated Africans and to thoroughly school them in the procedure to be followed in the election. In October 1950 these trained Africans boarded fifteen vans and set out to tramp the bush and explain the election to the natives. Each van was equipped with loud speakers, movies, and records,

¹⁴John R. E. Carr -Gregg, "Self-rule in Africa," *International Conciliation*, No. 473 (September 1951), pp. 323-376.

...six weeks the vans covered 22,000 miles and visited 1,300 fishing villages, cocoa farms and gold and diamond mines.¹⁵ Each candidate for office was assigned a symbol, such as a fish on a blue background or a bear on a brown background, so that the natives could express their preference without being required to read or even pronounce the name of the candidate. The natives were told that their thumb would be stamped with indelible ink at the time they placed their ballot so as to guard against repeaters, and that if any one attempted to interfere with the election or to intimidate any voter he would be punished severely. In all some 663,000 natives registered to vote.

At the time, the CPP was, much to the distress of the British, the only organized political machine in the country. This is not surprising since once the CPP had come out for "self-government now" anyone who opposed it was put in the position of being against self-government. However, it is a tribute to Dr. Nkrumah's organizing ability that, even though he and most of the other leaders of the party were in jail, the machine functioned so well that 80% of the votes went to the CPP.¹⁶ When the results of the election were in,

¹⁵"Election - and Jubilee," Time, LVII (February 1951), p. 33

¹⁶There was a great deal of fetishism attached to Nkrumah; he was pictures as a huge white tomcat who wandered from jail nightly. "Tomcat Triumphant," Newsweek, XXXVII (February 1951), pp. 41-42.

on the inauguration of the new Constitution." Under the 1951 Constitution the Gold Coast became the first British colonial territory to have elected negroes in a ministerial position. All the elected seats on the Executive Council went to members of the CPP and Dr. Nkrumah was given the position of "Leader of Government Business," a position on the Executive Council second in seniority only to that of "Minister for Defense and External Affairs" a position which remained in the hands of a British official. In 1952 Queen Elizabeth II appointed Dr. Nkrumah Prime Minister of the Gold Coast and the Executive Council was renamed the Cabinet.

During the next several years, Nkrumah's actions seemed to substantiate earlier impressions that he possessed personal qualities beyond those which are required of a good speechmaker. Once Nkrumah became convinced that the British were truly interested in securing a genuine transfer of responsibility, he abandoned his old hostile stand; and a spirit of good will and confidence gradually began to grow between the Nkrumah government and the British. To be sure, Nkrumah continued to do all within his power to bring about an early independence, but he now seemed to realize that independence could be sooner accomplished by proving that the Gold Coast was capable of handling the responsibility of independence rather than just capable of demanding it.

pitiable, the age old problem of central government - native authority relations gradually deepened. Since Nkrumah's CPP had polled 80% of the votes in the 1951 elections, it might be assumed that the Legislative Assembly was solidly behind the Prime Minister. This was not the case, for although the CPP was the only modern political party on the Gold Coast in 1951, it was by no means unopposed. The CPP was an organization headed in the main by young educated natives who had broken with the old tribal ways and who felt that power in the hands of the chiefs was an obstacle to progress. The chiefs, of course, resisted any attempt by the party to usurp any authority which they felt traditionally belonged to them. The 1951 Constitution, it will be recalled, provided that thirty-eight of the seats in the Legislative Assembly be filled by elected representatives but had reserved thirty-seven seats for the native authorities (chiefs). Thus Nkrumah and his Cabinet were forced to work through an Assembly which was often hostile. Nkrumah consistently maintained that he was willing to work with the chiefs and that he was not in favor of restricting their power in any way. It is apparent, however, that he was convinced from the start that modern ways and tribal ways are not compatible; and that if the Gold Coast was to take its place on the international stage the real power must lie in a central government. Nkrumah's

thinly disguised attempt to make the best of an unfortunate (from his viewpoint) situation.

There could be little doubt that the government could carry the rest of the country with it when it was engaged in the struggle for independence, or in planning for educational or economic advance. Therefore, Nkrumah concentrated his efforts in these areas and avoided those areas which might bring the government and the traditional authorities into open conflict. He established a technical college at Kumasi, tripled government monetary assistance to secondary schools, instituted an emergency plan for teacher training, and developed a plan which called for a basic six year primary program for all children. On the economic front, the government undertook to expand the artificial harbor at Tokoradi, to improve the roads, to increase the area served by railroads, and to step up plans for the Volta River project.¹⁷

All of these programs were undertaken in such an efficient and businesslike manner that the British could not help but to be impressed. In addition, when charges of graft were made against members of his organization, Nkrumah made no effort to quiet the possible

¹⁷The Volta River project will be discussed in some detail in a following chapter.

Only a few minor officials were found guilty and they were quickly sent to prison. When evidence came to light that some members of the CPP were flirting with Communism, Nkrumah summarily expelled them from the party. As a result, the British were pleased with Nkrumah's statesmanship and with his government in general. Through it all, Nkrumah felt that progress was being hindered by the presence of the thirty-seven non-elected members in the Legislative Assembly and by the presence of the three European members in the Cabinet. In 1954 he asked for and was granted changes in the Constitution which were designed to remedy the situation.

The 1954 Constitution provided for an Assembly of one hundred and four members, all elected on ordinary party lines, with no special or nominated members. The Cabinet was to consist of at least eight persons, all members of the Assembly and all chosen on the advice of the Prime Minister. The Cabinet was finally to be an all-African all-party Cabinet. Authority in the areas of defense and foreign affairs was still to be exercised by the Governor.

The 1954 elections were a foregone conclusion. The CPP won seventy-nine seats in the Assembly as compared with fourteen for the Northern People's Party which provided the chief organized opposition to the government. The CPP was now firmly in the saddle and it seemed

The traditional native authorities were, however, not yet ready to buckle under. Shortly after the 1954 Assembly met, a party calling itself the "National Liberation Movement" was formed. The NLM was a curious alliance of tribal conservatives and intellectuals who felt that the CPP was becoming altogether too powerful. The movement was especially strong in Ashanti, where it had the open support of the Asantehene and where members of both the CPP and the Northern People's Party were leaving their respective parties and filling its ranks. The principle aim of the NLM, other than generally criticizing the CPP, was to bring about the enactment at independence of a federal constitution. Its members advocated a federation of states which would preserve the authority of the local chiefs and give a region more direct control over its own resources. On the other hand, the CPP still preferred a government similar in style to that of the British Home Government.

When Nkrumah's government proposed a Committee of the Assembly to draw up a draft of the Constitution, the NLM refused to take part in the proceedings claiming that public opinion had since the election turned against the CPP and that Nkrumah's government therefore no longer represented the people. The British, although happy to see some real opposition to the CPP, began to express doubts as to

Nkrumah's statesmanship again saved the day. He dissolved the Assembly in which he held such a strong majority and called for a general election. He extracted a promise from the British that they would be "ready to accept a motion calling for independence within the Commonwealth passed by a reasonable majority in the newly elected Legislature," and he went to the polls. The results of the election gave the CPP control of seventy-two out of one hundred and four seats in the Assembly. The British government considered the results as a clear mandate from the people and accepted the motion for independence forwarded to it by the Nkrumah government. The United Kingdom Parliament set March 6, 1957 as the date upon which the Gold Coast was to become the independent nation of Ghana.

The new nation of Ghana was to consist not only of that territory which had previously been the British Gold Coast Colony but also the 13,000 square mile area which had formerly been the British Trust Territory of Togoland.

At the close of WW I the German Colony of Togoland (immediately to the east of the Gold Coast) had been divided in half and placed under the Trusteeship of the League of Nations. The British were to administer the western part of Togoland and the French were to administer the eastern half. The British, first under the auspices of the League of

ed their part of Togoland as an integral part of the Gold Coast. The people of British Togoland had had representation on both the National Assembly of the Gold Coast and on the Regional Councils of the Northern Territory and Trans-Volta. The United Nations was satisfied with the stewardship of both the British and the French with regard to the Togoland Trust Territory and, although various proposals had been made to the United Nations from time to time, little had been done to finally settle the Togoland question. However, when it became apparent that the Gold Coast was soon to attain an independent status, Britain notified the United Nations that it would no longer be in a position to administer the Trusteeship once the Gold Coast became an independent nation.

Committee IV (Trusteeships) of the General Assembly of the United Nations was therefore faced with the problem of proposing a resolution to the General Assembly as to the ultimate fate of British Togoland. The Committee held a series of hearings at which time a number of recommendations were entertained; in the end it was decided that a plebiscite would be held in British Togoland so that the people could decide: if they desired to join the Gold Coast, if they wished to be united with French Togoland (a position which many observers felt was not economically viable), or if they desired "some other self-

the United Nations and the first ever held in a Trust Territory, was conducted on May 9, 1956. The results of the referendum showed that the people of the territory desired that the Trust Agreement be terminated in favor of integration with the Gold Coast. A resolution to that effect was placed before the General Assembly of the United Nations and on December 13, 1956 was duly passed. The resolution was to take effect on the date of Ghana's independence.

Before leaving this discussion of Ghana's development under British rule, it is important to emphasize one more point. The Gold Coast had under the British developed a one crop economy. Gold had been the cause for the original European interest in the area; but with the coming of the more profitable slave trade gold mining had been all but forgotten. As the European countries one by one abolished the slave trade, gold and timber again became the chief exports of the Gold Coast. In later years large deposits of bauxite, manganese, and industrial diamonds were also to be found. But the mining of these materials was and still is under the direction of wealthy foreign companies which lease the rights from the government. This arrangement is not much different from that which is followed in almost every other African

18 "A New Chapter in the Togoland Story," United Nations Review, 1 (January 1955), pp. 8-79.

people of the Gold Coast were to come to enjoy. The economic fortunes of the Gold Coast were and are inseparably tied to one crop - cocoa.

Cocoa was first smuggled into the Gold Coast from the Island of San Thome in 1879. The climate of the Gold Coast in the forested area to the south of the Kwahu Scarp proved to be ideal and the crop flourished until by 1935 the Gold Coast was exporting half the world's supply of cocoa. Cocoa was thus to bring to the Gold Coast a wealth far greater than that enjoyed by any other country in West Africa. But cocoa brought more than wealth to the Gold Coast; it had also a social effect which from a political viewpoint is no less important than the crop itself was from an economic viewpoint. The cocoa industry is remarkable in that it is almost entirely a peasant industry. While gold is for the big European companies, cocoa is the affair of the small African farmer. The average Gold Coast cocoa farm was only about six acres and was run by the native himself. The Gold Coast farmer was on his own. One wonders if the rapid advance toward independence would have been possible without the feeling of self-reliance and self-confidence which cocoa gave to the Gold Coast peasant.

CHAPTER III

THE INDEPENDENT NATION OF GHANA - POLITICAL DEVELOPMENTS -

At midnight on 5 March 1957, Prime Minister Kwame Nkrumah stood before a massive crowd in Accra's Black Star Square and said, "At last the long battle is ended - Ghana, our beloved country, is free forever."¹⁹ From that moment on, the British government ceased to have any authority in Ghana. Hopes were high, not only in Ghana itself but throughout the free world. Here was a nation founded on solid ground. Ghana had served a long tutelage under the British: and now she was ready. Ghana was, in fact already a functioning, healthy democracy.

Prime Minister Nkrumah pledged that his government, now that independence was a reality, would turn all its resources to furthering the development of the country. Ghana's foreign policy was to be one of positive neutralism and non-alignment. It was, in Nkrumah's words, not to be the type "which implies the suspension of judgment; but

¹⁹"Birthday of a Nation," Time, LXIX (March 1957), p. 29.

of friendly relations with all countries and unswerving loyalty to the United Nations as well as respect for its decisions (on 8 March 1957, Ghana became the eighty-first member of the United Nations). Ghana was to take a position of non-alignment not because of indifference, but because Nkrumah did not feel that his tiny country could influence the outcome of the cold war and so did not wish to become involved and because the Ghanaian Government wished to be free to judge each case on its merits.

Statesmen the world over applauded Nkrumah's declaration, and many marveled that such an apparently mature stand should be taken by such a young country. There was, indeed, reason to have high hopes for Ghana.

Sixty-nine nations and territories sent representatives to witness the birth of Ghana. The Duchess of Kent, Aunt of Queen Elizabeth II, represented the United Kingdom. Vice President Nixon carried the greetings of President Eisenhower and the United States to the infant nation. Dr. Ralph J. Bunche, under-secretary of the United Nations, represented the Secretary General at the ceremonies. Gifts poured in; the United States presented Ghana with a two thousand volume technical library, and the Soviet Union gave Nkrumah a jet transport.

Independence for Ghana was a gala occasion. But, even as the

some informed observers, a nagging suspicion that all might not be well.²⁰ During the week of independence Nkrumah had sent a force of mobile police into the south Togoland Districts of Kpandu and Hohoe to put down disturbances caused by supporters of the Togoland Congress Party (the Togoland Congress Party had voted against the unification of British Togoland with Ghana). The mobile police force was nothing more than a riot squad and it employed tactics which were considered unnecessarily "tough" in conducting a house to house search for the instigators of the disturbances. If these tactics were a preview of things to come, it was sure that Nkrumah was in for trouble from such areas as Ashanti, which had no desire to throw off British domination only to fall under that of a strong man from semi-Europeanized Accra.

²⁰Ghana's flag has three broad vertical stripes, on which is superimposed a black star.

Stripes:

Red - Commemorating those who worked for the Colony's independence.

Gold- For the nation's wealth and its old name.

Dark Green - For the forests and farms of the country.

Black Star (five pointed): Represents the Lodestar of African freedom. "A New African Nation - Ghana," United Nations Review, 111 (April 1957), pp. 24-31.

ways strongly supported Nkrumah in his fight to lead Ghana to independence had some strange ideas of what independence would mean to them personally. Reporters from American magazines and newspapers interviewed people on the streets, asking them what effect they thought independence would have upon them. Such replies as, "The cocoa marketing board will distribute its reserves among us - £ 12 each," or, "In order to get them into circulation the new Ghana Bank notes will be distributed free - £ 5/6 each," were not uncommon. It was certain that the new government had nothing of the kind in mind, and observers speculated about the reaction of the people when none of these windfalls came to pass.

These things were, however, not really serious, for, human nature probably requires that people taking part in a new venture expect more from it than logic would dictate, and a little dissension among the parties to any undertaking is not necessarily a bad thing. The real enigma was Nkrumah and his driving ambition. It had been apparent for some time that Nkrumah pictured Ghana as the crucible in which the fires of African freedom would be kindled. Some observers felt that Nkrumah hoped to create in his little country an "African Personality" - a political and emotional mystic which would lead the rest of the continent toward his dream of a United States of

the fight for independence were behind and that ahead lay the work-day world of making democracy function, many wondered if he really believed it. The question was how long Nkrumah, now that Ghanaian independence was secured, could keep his messianic vision within his own borders. At any rate, if he did, in fact, have plans for a great African union it was certain that he must move to secure his position at home so that he need fear no nonsense from that quarter while he was engaged with matters on a grander scale.

Fears of trouble ahead for Ghana were, however, entertained by only a very few, and in general Ghanaian independence was christened with great expectations.

Not long after independence it became apparent that Ghana was, indeed, having difficulty. British rule had evidently been the unifying force over the hodge-podge of Ghana's diverse tribes, and as soon as the British were safely gone many of the up-country tribal chiefs moved to regain some of the stature they had lost to the Central Government. Some of the chiefs openly threatened secession. Nkrumah countered with decisiveness. He cut off the Central Government's allotment to the recalcitrant chiefs, and he warned that if they persisted they would be stripped of their titles and deported. Most of the chiefs backed down and agreed to let local elected officials run the show in exchange

refused to change their minds, and Nkrumah ordered that they be summarily deported. The chiefs appealed their case to the courts; whereupon Nkrumah rushed a special bill through the Legislature which authorized the immediate expulsion of the chiefs, even though they were citizens of Ghana.

When the case was presented to the court, Nkrumah's Attorney General defined the bill and the deportations on the grounds that Ghana's Parliament "has absolute and complete power to legislate on any subject whatever."²¹ The British lawyer who acted on the part of the plaintiffs protested that the statute broke the fundamental right of a citizen to live in his own country. The statute was upheld and the deportations were carried out.

The United Party, which had become the chief opposition to the CPP after the demise of the National Liberation Movement over the constitution question, seized upon the deportation incidents as a basis for promoting anti-government demonstrations, and during the summer of 1957 these anti-government demonstrations led to rioting in

²¹Many British observers feel that the deportations were originally the Attorney General's idea. The Attorney General is Geoffrey Bing, a white Oxford-educated lawyer. Bing made a name for himself as one of Britain's most left-wing Laborite M.P.'s after the war. "White Eminence," Time, LXX (September 1957), p. 33.

"preservation of the established order." He appointed Krobo (Crowbar) Edusei Interior Minister, a position from which he could control the police. Edusei was a maverick Ashanti who had been a member of one of Nkrumah's earlier cabinets.²² He was not much short of a common thug, but he proved to be just the man for the job of restoring order. With the aid of several armored trucks and a small group of highly disciplined police, he soon had everything under control. During the process, scores of Ghanaian citizens were arrested. When asked what he would do if the people resisted the arrests, Edusei, no man to mince words, replied, "I would bring out my armored cars and slaughter them like hell."²³

Nkrumah was shaken by the anti-government riots and he determined that should anything of the sort happen again his government would be prepared. To that end, he introduced two bills into the Legislature. The first, called the "Emergency Power Bill," was designed to reinstate the emergency powers given by the British to the Governor of the Gold Coast Colony during WW II for use should the country be

²²Edusei had been forced from the earlier Cabinet after being named in two corruption investigations. His comment: "Sure people give me money, but they never get anything for it." "I love power," Time, LXX (October 1957), p. 57.

²³"Uproot the Enemy," Time, LXXII (November 1958), pp. 26-27.

nor the right to suspend all laws for the duration of the national emergency. Nkrumah's bill, however, would give him this right even though only a local area was affected. The second bill was called the "Avoidance of Discrimination" bill, and would give Nkrumah the right to ban, without a hearing, any political party "Based on racial, tribal, or religious interests."

Both bills were vigorously opposed by the United Party. K. A. Busia, a sociology professor on leave from Ghana's University College and the leader of the opposition, pleaded with the Legislature not to pass the bills. He claimed that the first bill armed the government with virtual dictatorial power should it feel that the opposition was at any time becoming too militant. The second bill he charged would be more frankly named the "Political Parties Restriction Bill," which, in fact, had been its original name. Both bills were passed into law by huge majorities.

Nkrumah, of course, realized that any serious opposition to his party must have the support of the tribal chiefs, and he took advantage of every opportunity to remove the threat to his power from that quarter. In 1958, Nana Ofori Atta II, the paramount Chief of Akim Abuakwa and the second-most powerful tribal leader in Ghana, was declared destooled (dethroned) by a group of his restive sub-chiefs. When Atta

dred policemen to Atta's Palace. The policemen surrounded the palace, took Atta into custody without incident, and returned him under guard to Accra. A few days later Atta was deported and a younger chief, loyal to Nkrumah, was placed on the throne of Akim Abuakwa.

The powerful Asantehene (King of Ashanti) had, prior to independence, supplied the bulk of the financing for Nkrumah's opposition. Since independence, however, the Asantehene had lost the support of many of the younger, more modernly inclined Ashanti men. In addition, the Interior Department, under the capable though slightly heavy hand of Krobo Edusei had uncovered evidence of mismanagement of the lands and property under the control of the Asantehene. Faced with weakening support from within and by the threat of an Interior Department investigation, the Asantehen began making overtures of friendship to Nkrumah. Finally, in the fall of 1958, the Asantehene officially transferred his allegiance to the CPP.

Thus, by late 1958, less than two years after independence, all opposition to Nkrumah was for practical purposes gone from Ghana. K. A. Busia, though an excellent scholar, had unfortunately proven not to be a very skilled politician nor one of wide appeal for the masses. Under Busia's leadership the United Party had become demoralized to the point where it no longer offered any genuine opposition to

Assembly. During 1958 Nkrumah pushed through the Legislature three measures which brought forth from the free world the charge of dictator! The first was the so-called "Deportation Act" which made it possible for persons to be shipped out of the country without the right of appeal or review in any court and upon mere suspicion if they were regarded by the government as "not conducive to the public good." The second act was the "Preventive Detention Act" whereby any persons whose actions were considered "prejudicial to the relations of Ghana with other countries or to the security of the state" could be imprisoned for up to five years without trial. The final act, and by far the most important one, was called the "Constitution Amendment Act" and it provided that clauses in the constitution could be changed not by a two-thirds majority of both Parliament and the Regional Assemblies, as had theretofore been the case, but by a simple majority of Parliament alone.

One thing which had kept Nkrumah from completely having his way was the presence of the Regional Assemblies. Under the compromise constitution which the British had accepted before granting Ghana her independence a system of five Regional Assemblies had been set up to serve as a permanent check on the Central Government. Armed with the power of the "Constitution Amendment Act," Nkrumah pushed

away with the Regional Assemblies.

All these high-handed political tactics invoked a storm of protest from overseas. However, Nkrumah calmly defended his position on the grounds that "even a system based on social justice and a democratic constitution may need backing up during the period following independence by emergency measures of a totalitarian kind." ²⁴

Many of the most educated people in Ghana, including most of the white people on duty there, seemed generally to go along with Nkrumah. It was perhaps true that Nkrumah had gone too far with strong government, but still, in a country like Ghana it is better to have too strong a government than one not strong enough. After all, over eighty per cent of the people were illiterate and, if there was not a firm hand to watch over things, one of the many long-standing tribal feuds could easily burst into widespread violence and bring to an end any change the country might have of making a success of its independence. Nkrumah seemed to think, and perhaps justifiably so, that the classic restraints of eighteenth century constitutional liberalism did not fit the situation confronting him. At any rate, Ghana was not at that point a totalitarian state, the opposition United Party,

²⁴Clarence W. Hall, "What's Happening to Freedom in Ghana," Readers Digest, LXXV (December 1959), pp. 67-72.

newspaper was published daily; and elections were still held.

In defense of Nkrumah it must be remembered that it has taken Britain and America hundreds of years to develop their modern political institutions. In fact, an interesting comparison can be drawn between the problems which the United States faced in her early days and those faced by Ghana in these early years. The United States was confronted with the problem of Regionalism vs. Federalism (a matter over which we fought a war and still have not completely solved). There was no strong opposition party in the early days of our first administration. We had rebellious citizens who resented acts of the central government and had to be subjugated by force (the Whiskey Rebellion). We too passed naturalization, and alien and sedition acts aimed at domestic disaffection. The early problems of the United States and those of Ghana may not be identical, but they are in many ways similar. The fact may well be that the standards of modern sophisticated democracies cannot be applied to an emerging country, perhaps without strong government there would be no Ghana. At independence Nkrumah asked only that his government be judged by the progress in the welfare of the people of Ghana. The people of Ghana have undoubtedly forfeited some of their civil liberties; but, on the other hand, they have gained a great deal in the areas of education,

While Nkrumah's strong-armed political tactics might be thus academically defended as being a matter of necessity in a country such as his, there is some question as to whether or not the reasons so advanced are in fact Nkrumah's reasons. It was pointed out earlier that at independence some observers felt that Ghana's real troubles would come about as the result of Nkrumah's grand ambitions. There is no doubt that before Nkrumah could get on with any plans he might have for a United African Federation he must be absolutely sure that he stood on firm ground at home. Therefore, it is quite probable that many of his totalitarian-like decisions at home were based at least in part on such a consideration.

In December 1958 Nkrumah held an "All-African Peoples Conference" in Accra. The purpose of the meeting, attended by representatives of most of the independent and soon-to-be independent countries in Africa, was to discuss means by which the African nations, through mutual co-operation, could enhance their individual and collective economic and political positions in relation to the rest of the world. The Conference members discussed, among other things, the setting up of a common-

²⁵Economic conditions in Ghana will be discussed in the following chapter.

by Nkrumah, as well as some misgivings about the proposition and nothing much came of it except that a small Secretariat was set up in Accra.

During the months following the conference, there developed what turned out to be a seemingly permanent split among the African nations over the question of what form cooperation among the nations should take. There is no difference in the short range economic goals of the two opposing factions, who for ease of explanation may be labeled the "Monrovia Group" and the "Casablanca Group," but there is a great deal of difference in the long range political goals. Both the "Monrovia Group" (Nigeria, Liberia, Ivory Coast, Voltaic Republic, Somolia, Togoland, Tunisia, and Sierra Leone) and the "Casablanca Group" (Ghana, Guinea, Morocco, The Sudan, and Senegal) favor economic cooperation in the form of ending customs barriers between its members, ending preferential treatment, establishing some sort of African development bank, and the formation of joint air and shipping lines. The difference is that the long range aim of the "Monrovia Group" is to increase the internal strength of the individual countries in the group, while the long range aim of the "Casablanca Group" is to foster a strong economic and political union among its members. In other words, the "Casablanca Group" would promote cooperation in order to present a united

maintaining individual national autonomy.

There is a strong suspicion that the split took place because of a fear on the part of those nations which eventually went to make up the "Monrovia Group" that Nkrumah had in mind a little colonization of his own. In an agreement signed by Ghana and the former French colony of Guinea on 23 November 1958 the United African, or, as Nkrumah calls it the "Pan-African" movement, first took physical form. Under the terms of the agreement the two countries agreed to harmonize defense, foreign policies, economic policies, and even to adopt a common flag. The "Union" was proclaimed by both Nkrumah and Sekou Toure, the Premier of Guinea, as the forerunner to a West African Federation.²⁶

However, the "Union" has been in difficulty almost from the beginning. There is a basic difference in the philosophy of the two strong men, Toure was raised as a Moslem and is well grounded in French logic and Marxist dialectics, while Nkrumah is a product of Christian missions and Anglo-American education. Because of Toure's Communist leanings, Nkrumah's friends in the free world did everything possible to discourage the "Union" and, once it was formed, to keep it from

²⁶Joseph C. Satterwaite, "New Africa," The Department of State Bulletin, XL (February 1959), pp. 196-197.

worlds apart, Ghana being a relatively rich country while Guinea is desperately poor.

In addition, and perhaps most important, Nkrumah realized that if Ghana was to be the leader in Africa, he must move rapidly before his small country was overshadowed by the emergence of larger and more densely populated independent countries. To this end, Nkrumah attempted to quickly set himself up as at least the "unofficial" Prime Minister of both countries. Toure, of course, was having none of that, he like Nkrumah, is a strong man and he did not see himself as anyone's shadow. To date, the only recognizable results of the "Union" has been that the two countries have exchanged resident Ministers, Ghana has loaned Guinea some of the money which was promised, and the planes of the state-owned Ghana Airways stop

²⁷Guinea seems to be the Communists prime target in Africa. One-third of Guinea's exports go to eastern Europe. The Toure government was the first to recognize East Germany. On the other hand, it took a year of wooing by Soviet Trade Missions and "cultural" Envoys to get Nkrumah to agree to diplomatic ties and for another year he raised objections (i.e. no suitable housing for Russian staff, no trained Ghanaian Diplomats to send to Moscow, etc.). In March of 1959, Mikhail Sytenko became the first Soviet Minister to Ghana. "And The Taint of Red," Newsweek, LIII (March 1959), p. 44.

Nkrumah has not confined himself to formal agreements in his attempt to establish Ghana as the leader in Africa. He made several "studies" designed to point out the common heritage of some of the tribes in the Voltaic Republic and along the frontier of the Ivory Coast with the tribes in Ghana, and thus encourage those tribes to push for a union with Ghana. He suggested that certain Ewe tribes in the former French colony of Togoland be taken over as Ghana's "Seventh Province." All in all, he seemed generally willing to offer aid and comfort to any self-styled "Nationalist" who seeks to throw off "colonial shackles." This meant that even in countries which were on the verge of independence he often openly supported groups aiming to subvert the established order.

All these things were, of course, designed to further Nkrumah's dream of a united Africa; it would appear, however, that they have done the cause more harm than good. When Ghana first achieved her independence, Nkrumah was regarded by most other African leaders as

²⁸The apparent failure of the Ghana-Guinea "Union" to amount to anything of significance would seem to lend credence to the views expressed by other African leaders at the time of its inception. Example: President William V. S. Tubman of Liberia, "Unrealistic and Utopian;" Felix Houphouet -Boigny of the Ivory Coast pointed out that the continents of Europe, Asia, and Americas have never achieved unity, he said, "Why do you think that Africans can?" "Happy Impulse, Second Thoughts," Time, (December 1958), p. 29.

underhanded tactics in foreign affairs, he has come to be looked upon by the leaders of neighboring countries with much suspicion and some indignation. Alhaji Sir Abubakar Tafewa Balewa, Prime Minister of Nigeria, says, "Nkrumah cannot expect the rest of Africa to dance around him: I do not know why you attach any importance whatsoever to what Mr. Nkrumah says." Premier Sylvanus Olympio of Togoland says, "the man must be crazy, does he really think he can absorb us with his puny bunch of tin soldiers and those two minesweepers he calls a navy?"²⁹

While Nkrumah's tactics in foreign affairs might be considered somewhat underhanded, his politics at home continues to be decidedly high-handed.

In truth, it must be admitted that the constitution under which Nkrumah's government was originally supposed to operate gave his government less power than the British had required to administer the colony. On 6 March 1960, Nkrumah moved to remedy this situation once and for all. He proposed a new and republican form of constitution to be submitted to Parliament and to the people of Ghana. The National Assembly of Ghana, of course, endorsed the proposal and

²⁹Ghana has a 150 man Navy and two British minesweepers. "A Royal Visitor," Time, LXXIV (December 1959), pp. 28-29.

constitution and to name the first president. The referendum was to be held in April 1960. The two million Ghanaian voters were to decide: (1) if they wanted a republic instead of a monarchy under Queen Elizabeth II, and (2) if so, who should be the first president.

The United Party under the leadership of Dr. Joseph P. Danquah, K. A. Busia had fled the country to take a position at the Hague's Institute of Social Studies, campaigned against the dictatorial powers the new constitution would confer on the president. Danquah did not believe that the people had any idea what they were letting themselves in for because, for one thing, the new constitution was printed only in English and not in any of the indigenous languages spoken by most Ghanaians. During the campaign the United Party was denied the use of the radio and, when Danquah requested that the election be postponed because of "widespread terror and intimidation" waged against his followers, he was told that nothing was to interfere with the timely and orderly holding of the election. On the eve of the election Dr. Danquah made a public statement which said in part, "I am beginning to feel ashamed of having said in the past that we were fit to govern ourselves; I was wrong - I am ashamed of the things that are being done here in the name of democracy."

The result of the election was never really in doubt. Nkrumah,

of his people, and it was a landslide victory for the new constitution and for Nkrumah. In May of 1960 Nkrumah informed Commonwealth leaders of Ghana's forthcoming change in status to a republic and also of its intention to remain in the Commonwealth. On 1 July 1960 Ghana was proclaimed the world's sixty-seventh republic with Kwame Nkrumah as its first president.

The new constitution is a rather unique document and does, as Dr. Danquah protested, give the president almost dictatorial power. Some idea of the extent of this power can be gained by an examination of Article Two of the constitution which says, "In the confident expectation of an early surrender of sovereignty to a Union of African States and Territories, the people now confer on Parliament the power to provide for the surrender of the whole or any part of the sovereignty of Ghana." As a result of the election, the CPP held seventy-one seats in Parliament to twenty-five for the United Party and, since there has never been any question of members of the CPP opposing any of Nkrumah's proposals, the Parliament is a "rubber stamp" Assembly and Nkrumah has, in effect, the power to surrender the sovereignty of Ghana.

In summary, it appears at this point in time that those observers who, at independence, foresaw trouble ahead for Ghana because of

States have been proven to have been right. Only the remnants of what was once such a promising democracy now remain in Ghana. Nkrumah and his followers defend his hard-fisted tactics at home on the grounds that no modern nation can tolerate political fragmentation, tribal or otherwise. However, Nkrumah's policies with regard to foreign affairs would seem to put the lie to such a defense and to support the contention that Nkrumah feels he must have complete power at home if his title of Osagyefo (Deliverer) is to become to be known not only in Ghana but over the length and breadth of Africa.

CHAPTER IV

THE INDEPENDENT NATION OF GHANA

- ECONOMIC DEVELOPMENTS -

It is probably safe to say that no other nation in Africa will start its independent life in better financial shape than was Ghana in 1957. At that time Ghana's earnings in foreign exchange had reached \$500 million a year, the government had \$140 million in surplus funds, and the Cocoa Marketing Board had reserves of over \$215 million. Due to its favorable cocoa position, Ghana was earning \$7.00 for every \$2.00 spent in the United States, and thus had a substantial dollar surplus. The per capita income of Ghana was double that of neighboring Nigeria and almost four times that of the average African per capita income. Ghana was exporting, in addition to over half of the world's supply of cocoa, 700,000 tons of manganese, 700,000 fine ounces of gold, and two million carats of industrial diamonds per year.

While Ghana's production of manganese, bauxite, gold, diamonds, and timber are important to the welfare of the country, it was, and is, upon cocoa that the economy is based. Almost four-fifths of

cocoa crop. Of course, any country which is so dependent on one crop is always face to face with a potentially dangerous economic situation. If left unattended, the economy would be subject to considerable instability as a result of even small changes in the world price of the all-important crop. A significant increase in the price of the crop could cause widespread inflation; while a significant drop in price would be nothing short of disastrous. The fact that Ghana had, at independence, achieved a considerable degree of economic stability in addition to very impressive gold and dollar reserves was in large measure due to the efforts of the British-instituted Cocoa Marketing Board.

As previously indicated, there are no large cocoa plantations in Ghana. The cocoa is grown on small family farms run entirely by the family's own labor or with the help of a few hired hands. In the years before WW II, the cocoa was marketed through an intricate system of brokers and sub-brokers who acted as intermediaries between the farmers and the wholesale buyers. The brokers were Africans; but the wholesale exporting firms were European. The Europeans would send their agents up country to buy cocoa from the brokers. As time went on, many European firms either amalgamated or entered into agreements to restrict competition. In 1937, the farmers, suspicious that

staged a cocoa holdup and a complete boycott of European imported goods. The Colonial Government at first took a neutral attitude about this dispute between the farmers and the buyers; but, after the hold-up had continued for several months, finally appointed a commission to look into the matter. A truce was declared while the commission was investigating the situation. The commission, after lengthy hearings, finally recommended that the old system of marketing be abandoned and that a statutory Marketing Board be established. However, before the commission's recommendations could be put into effect, the war came and the British Government announced that it would buy all West African cocoa. This official monopoly, exercised through a West African Produce Control Board, continued to handle all Gold Coast cocoa until 1947.

In 1947, the handling of the cocoa was transferred to a newly established Gold Coast Cocoa Marketing Board. The objectives of the Board were defined in the statute which established it as being: "To secure the most favorable arrangement for the purchase, grading, and selling of Gold Coast cocoa, and to assist in the development by all possible means of the cocoa industry in the Gold Coast for the benefit and prosperity of the producers." ³⁰ The Board was empowered

³⁰W. E. F. Ward, A History of Ghana (London: George Allen and Unwin Limited, 1958), p. 402.

to appoint buying agents, and to license them on any conditions it thought fit. The statute which established the Board forbade the purchase of cocoa except by the Board or its agents, and forbade the export of cocoa which was not the Board's property or which the Board had not authorized for export.

The idea behind the monopoly was that the farmers should be cushioned against wide fluctuations in the world price of cocoa. The Board would buy cocoa at much less than the world price when that price soared, and at much more when it dropped. In a good year it would accumulate a surplus, and in a bad year it would pay the farmer out of that surplus.

In practice, things did not work out that way. The price of cocoa rose from a pre-war level of \$16~~0~~ a ton to \$1,1~~00~~ a ton in 1954. As the price of cocoa continued to rise, the Cocoa Marketing Board accumulated a huge surplus. It was finally decided that all of the surplus was not needed to insure stable prices, and the surplus was eventually divided into a "Stabilization Reserve," earmarked for that purpose, and a "General Reserve" which could be used for any project which would benefit the producers. The Board made a large grant, for example, towards the establishment of a Faculty of Agriculture at the University College of the Gold Coast.

great strength to the government of Dr. Nkrumah and to Ghana's financial position in general during the early days of independence. Still, in spite of the cocoa reserves, the Gold Coast has always suffered from being exclusively a primary producer. The financial uncertainty associated with its one crop economy has always hampered the country's development. It is to get away from this reliance on cocoa that Nkrumah has spent the majority of his economic development effort on what has come to be known as the Volta River Project. The Volta River Project is the keystone of Ghana's national economic policy at the present time.

It seems that throughout Africa a dam is considered the grandest temple, promising miracles of industrial development and richer living. The Volta River Project is, as might have been anticipated, concerned chiefly with the building of a dam. However, it is much more than just one dam; it is a system of dams and the birth of a whole new industry which the hydroelectric power generated at the dams will father.

The idea of damming the nine hundred mile long Volta River is not a new one. In 1928, when bauxite was discovered on the Gold Coast, the first thought was given to establishing an aluminum industry self-contained within the country. In the past thirty-five years

which holds leases on Ghana bauxite, conducted a study. British Aluminum, which is actively mining bauxite in Ghana, conducted a study. The famous British consultant Sir William Halcrow, upon invitation from the Gold Coast government, conducted a study. All came up with the same answer - the project would be too expensive and would make electric rates too high for potential users.

In August of 1958, the United States government agreed to share the cost of bringing up to date engineering reports on the Volta River Project. The agreement was the result of a visit by Dr. Nkrumah to the United States in July of 1958, at which time the United States undertook to examine development plans of the Ghana government and to consider particular fields in which it might be able to cooperate through development loans. Nkrumah, during his visit, spoke before both the House and the Senate of the United States, and he made a very favorable impression. The impression was favorable not only because Nkrumah is a man possessing a magnetic personality but because he emphasized in his speeches that, while his country needed capital, he was not asking for direct financial aid. He was asking, rather, for United States government and private investment in projects which could stand on their own feet and assure the repayment of original capital with reasonable interest. This is the kind of talk that

for Ghana.

At any rate, the study was undertaken by Kaiser Industries Corporation and was financed 50-50 by the U. S. International Cooperation Administration and the Ghana government. In April of 1959, Kaiser presented the results of the study. The Kaiser revised plan would, by delaying other public works (railways, schools, etc.) and changing the site of the main dam to a place where the Volta flowed faster, reduce the estimated cost of the project from \$900 million to \$600 million and the estimated time for completion of the first phase from eight to five years.

The revised plan calls for the construction of three dams on the Volta River. The main dam is to span the Volta River near Kosombo. This dam will be 370 feet high and stretch 2,100 feet across the river bed. Behind the dam will back up a 3,275 square mile lake (4% of the country's total area and the world's largest man-made lake). Later phases of the project call for two additional dams, one to the south of the main dam and the other to be built in the northwest so as to facilitate supplying irrigation to the arid northern territory. The main dam will generate 600,000 kilowatts of power (half as much as the Hoover dam); enough to operate a 100,000 ton electric aluminum smelter to process Ghana's high grade bauxite and perhaps some iron ore

electricity to the southern one-third of Ghana, where over one-half of the people live, and thus reduce the country's dependency on imported diesel fuel for generating electricity. In addition to the power generated at the dam, the gigantic lake behind the dam would provide cheap transportation to the north, a new fresh water fishing industry to help augment Ghana's protein-shy diet, and much needed water for irrigation.

The Volta River Project en toto includes not only the dam and the smelter, but also the building of a new artificial harbor at Tema. As late as the early 1920's, Lagos, in Nigeria, was the only modern deep water port south of Dakar. In 1929, the British constructed a fine artificial harbor on the Gold Coast at Takoradi. Over the years, however, Accra developed as the chief commercial center on the Gold Coast and, since Accra has no harbor, goods had to be shipped by land and/or railroad via Kumasi or brought ashore by surfboat at Accra. The new harbor at Tema, only twenty miles from Accra, will have a drydock, a fisherman's harbor, over twenty miles of rail siding, and enough ship berths to handle five million tons of cargo a year. The construction of the harbor, financed chiefly from Ghana's own reserves, is at this point nearly completed.

the construction of the dam, the power plant, and the smelter, would be about \$324 million. The dam and the power plant were to be built by the Ghana government; the smelter was to be built by a private firm.

In order to raise the estimated \$128 million required to build the smelter, Kaiser formed and headed up a consortium of international aluminum producers called the Volta Aluminum Company (VALCO). In addition to Kaiser, the consortium included Reynolds Metal Co., Olin-Mathison Chemical Corporation, and Aluminum Company of Canada. Each of the members put up \$50,000,000 to set up VALCO, but agreed to commit itself only to the extent of establishing a study group to examine the smelter possibilities. Negotiations between the consortium and the Ghana government advanced smoothly to the point where Ghana had agreed to give the consortium a ten year tax holiday and, in general, a free hand in operating the business in exchange for which the consortium agreed to purchase 300,000 kilowatts of power around the clock for thirty years (about seven million dollar's worth a year). Then a snag developed in the negotiations over the rates to be charged to the consortium for the power.

Kaiser, with the concurrence of the Nkrumah government, had originally estimated that a rate of 2.5 mils/kilowatt hour would be a

charge for the power. However, when Nkrumah approached the World Bank for a loan to help finance the construction of the dam, a serious discrepancy developed. The World Bank sent its investigators to look into the feasibility of the project and its probable effect on the national economy of Ghana. The investigators were not enthusiastic about the feasibility of the project and they set the first stage costs considerably higher than the Kaiser estimate. The World Bank felt that a rate of 4.5 mills/kilowatt hour was necessary in order to insure Ghana's ability to repay any loan. The Consortium flatly refused to accept such a rate, charged that Nkrumah was trying to jack up the rate with the support of the World Bank, and threatened to pull out of the project. Kaiser, however, sent its engineers to talk with the World Bank investigators and they succeeded in talking the investigators into agreeing that the Kaiser estimate was, after all, not too far out of line. The World Bank talked to Nkrumah, and a rate of 2.625 mills/kilowatt hour was finally set.

The World Bank provided the Ghana government with \$47 million (at 5-3/4% interest) of the \$196 million necessary to build the dam and the power plant. The British government supplied \$14 million, and the Ghana government put up \$98 million of its own. The United States loaned Ghana \$37 million from the Export-Import Bank and the Develop-

on the establishment of an aluminum smelter.

By November of 1960, it seemed that everything was in order and that work could soon begin on the project. However, in December ALCAN withdrew from the consortium, claiming that it already had excess capacity and that it was working on a new reduction process which might influence its aluminum smelting in coming years. In July, Olin-Mathieson, which was working on a similar project in Guinea, decided that it was getting in too deep and also pulled out.³² Only Reynolds was left and Kaiser, which had originally figured that its participation would be no more than 50%, was stuck with about 90%.

Kaiser, now that so much of its own money would be involved, began to worry seriously about the threat of nationalization; it asked

³¹Philip Siekman, "Edgar Kaiser's Gamble in Africa," Fortune, LXIV (November 1961), p. 128.

³²Other large African aluminum projects in planning or development stage:

Guinea-200,000 ton plant is being jointly built by Olin-Mathieson Chemical Corporation, Reynolds Metals Company, and France's Pechiney.

Belgian Congo- The "Inga" Project plans call for a plant capable of 500,000 tons/year.

Congo Republic-Plans are being made for a hydro-aluminum scheme similar to that in Ghana.

"Ghana Gambles on Aluminum," Business Week, No. 1548 (May 1959), pp. 75-78.

Kaiser felt that the guarantee would have to cover not only outright seizure by the Ghana government, but also protection against confiscatory taxation and politically inspired labor troubles. The U. S. State Department indicated a willingness to do all that was possible (Russia had already offered to build the dam) but, since I.C.A. insurance was not broad enough, could see no way of insuring against such political risks. Finally, it was decided that under the Development Loan Fund the United States government could loan Kaiser \$96 million to take the place of institutional financing. This meant that Kaiser would invest only \$32 million of its own money, while the United States government was now in for a sum total of \$133 million. In exchange for the loan, Kaiser agreed to continue to operate the smelter and to buy the aluminum even if the smelter was confiscated. This was necessary since the United States government would have no way of collecting any claim against the Ghana government if the smelter was not working or if there was no market for the aluminum.

In May of 1961, Nkrumah accepted a bid from Impresit, an Italian construction firm, to build the dam. Work is now underway on both the dam and the smelter. The first phase of the Volta River project is scheduled to be completed in 1967.

While events now appear to be progressing satisfactorily for

not fairing nearly as well in other sectors of its economy. The source of the trouble can be traced, as might have been expected, directly to Nkrumah's extra-border illusions of grandeur. In the face of falling cocoa prices, Nkrumah has spent huge sums on projects which do not in any direct way contribute to the welfare of the Ghanaian people. Nkrumah seems unwilling to accept the idea that a young nation must begin at the beginning and, as a result, the Ghana government is grossly over-committed.

In the summer of 1960, Nkrumah announced plans for the state-owned Ghana Airways to purchase a mixture of Soviet and Western turboprop and jet aircraft in accordance with a program designed to convert the airline from a regional to an international operator. It was obvious that Ghana did not have the money or the business to warrant such an undertaking, and the Nkrumah government was the first to admit it. Ghana officials confessed that the airway, "is not a commercial operation and not trying to be one," and that losses were to be underwritten in the hope of making the airway the dominant carrier in independent Africa.³³ In September of 1960, the government spent \$4 million on a runway at Accra capable of handling jet

³³Robert E. Farrell, "Ghana Builds Flag Carrier for Prestige," *Aviation Week*, LXXIII (December 1960), pp. 38-39.

of six Russian IL-18 turboprop aircraft at a cost of \$1,820,000 each. The planes were to be flown by Russian crews until Ghanaian pilots could be trained and maintenance, estimated to cost over \$2 million a year, was to be done initially in Moscow.

Up to that time, Ghana Airways was operating in the red by about \$200,000 a year. However, under the management of BOAC officials, the Airways' deficit had been steadily declining and there was hope that within a few years it might be able to pay its own way. When the Ghana government, without consulting with the Airways' management, decided to go ahead with the costly expansion program, BOAC officials threatened to resign. The British government, aware that the Russians would be only too happy to move in, asked the BOAC people to stay on and to do whatever they could to make the best of the situation. The BOAC officials stayed on but the program was, of course, doomed to failure. The IL-18's, being extremely complicated aircraft, were continuously grounded for one reason or another. In one three month period, August to October of 1961, the planes carried a total of twelve paying passengers on the Accra to Khartoum run.³⁴

Nkrumah, belatedly realizing the folly of the expansion program, asked the Russians to take back some of the planes. The Russians

³⁴"Dirt Under the Welcome Mat," Time, LXXVIII (Nov. 1961), pp. 37-38.

to the DC-3's and De Havilland Herons which the Airways had been using prior to the whole disastrous program. The expansion program was a complete failure and there is no telling exactly how much money was utterly wasted on the project.

The Ghana Airways fiasco is probably the best, or worst, example of Nkrumah's squandering of the government's reserves on projects designed solely to make his tiny country black Africa's recognized leader. However, it is by no means the only example. He has spent over \$3 million to redecorate his official residence, and another \$3 million to expand Black Star Square in Accra. To insure that his 6,000 man Army and his 10,000 man police force are the pride of Africa, he has purchased modern military equipment from both east and west, even though to do so meant that in many cases parts had to be duplicated. He has bought out Israel's share in the Black Star Shipping Line long before the pre-planned date. Finally, to promote his Pan-African dreams, he has loaned well over \$21 million to Guinea and Mali.

All these things cost money - a great deal more money than the government's cash reserves could possibly provide. In order to finance these and other "improvement" programs, Nkrumah has had to find new means of supplementing the government's cash reserves. He has done this by, first, pushing through a law authorizing the transfer of the

which can be used for whatever purpose the government sees fit; and, second, by instituting a new austerity program.

He has organized all labor unions into a new party-controlled "Trades Union Congress" and forbid strikes except by government permission. He then dropped the price paid to farmers for their cocoa and froze the wages of all other workers. He doubled, through an increase in purchase tax, the price of such items as automobiles and locally produced beer and cigarettes. He introduced a compulsory saving scheme whereby people earning over £ 10 a month are required to invest 5% of their salaries in government bonds. Finally, he required that all government contractors be paid in "certificates" which could be converted to cash only when the government so permitted.

Despite these efforts, the government's cash reserves continue to dwindle. The world price of cocoa has dropped over 30% in the last few years and, in 1960, the balance of payments showed a \$75 million deficit. Ghana's earnings in foreign exchange dropped below \$300 million in 1961, as compared with over \$500 million in 1957. Increased import duties have reduced revenue from that source rather than increased it; in July and August of 1961 alone customs duties were

he will not cut spending, is to nationalize by seizure much of the private sector of Ghana's economy.³⁵ The capital in the private sector of Ghana's economy is, at present, at least equal to that in the public sector. It must look very inviting.

Nkrumah does, in fact, seem to be increasingly showing two faces when dealing with foreign investors. With one face he encourages them to come in and grow, while with the other he winks at his trust lieutenants who talk darkly of nationalizing foreign investment. For example, in the summer of 1960, the government passed a law authorizing a 14¢ per day wage increase for miners working in the seven British-owned gold mines in Ghana. Since Ghana gets about 1/10th of its income from these mines, Nkrumah had been subsidizing the shakier mines. The wage increase would just about wipe out the benefits of the subsidy. The mine operators, faced with the prospect of operating at a loss, threatened to close the mines, an act which would have put over 2,000 Ghanaians out of work. To prevent such action, Nkrumah pushed through a bill which called for a heavy fine and imprisonment for any operator who closed a mine without his permission. To the

³⁵Ghana has already borrowed heavily from the East Bloc as well as the West. Estimates are that Ghana has concluded about \$112 million worth of aid agreements with Communist countries. "Ghana at the Crossroads," Newsweek, LVIII (October 1961), p. 51.

nationalization, and they warned Nkrumah that if he seized the mines without adequate compensation they would see to it that no more British capital would be coming into Ghana for mining or any other purpose. Nkrumah assured the operators that he had no intention of seizing the mines and, to calm the fears of potential investors, he offered to buy the stock of several marginal mines at almost twice the value listed on the London Stock Exchange. Within twenty-four hours, the value of the stock jumped 100% and the relieved companies, confident that their stockholders would sell, hailed Nkrumah's offer as a uniquely civilized way of nationalizing an industry.

Still, Nkrumah can not really afford to spend that kind of money, and many foreign firms fear that unless Ghana's economy takes an upturn nationalization of private enterprise without adequate compensation is inevitable. With this in mind, many firms presently operating in Ghana have drawn up plans for quick evacuation of stock and personnel and new foreign private investment has all but dried up.

In summary, Ghana has reached an economic crisis. This financial plight is primarily the result of Nkrumah's delusions of grandeur and his determination to make tiny Ghana Black Africa's most potent nation. He has spent heavily on modern aircraft, loans to Guinea and Mali, and in building up a Pan-African propaganda machine. Ghana's

However, things are not all bad. Experts are looking for an upturn in the world price of cocoa and the United States decision to underwrite such a large portion of the Volta River project and to include Ghana in the United States Investment Guarantee Program have done much to restore confidence in the economy. There is certainly hope that Ghana may yet weather the storm.

SUMMARY AND CONCLUSIONS

The foregoing chapters have attempted to trace in some detail the economic and political development of Ghana as a model of over-all West African development. This does not mean to imply that an examination of any one country in Africa will necessarily lead to conclusions which are applicable to all African countries. In fact, the failure of the Pan-African movement to find widespread acceptance among African leaders is based, at least in large part, upon the presence of widely differing cultural backgrounds and the apparent absence of a common denominator in Africa. All African countries are by no means the same; there are serious discontinuities arising from the existence of different ethnic groups, languages, and basic economic conceptions. Individually, the African nations exhibit the greatest diversity in situation, size, population, government, and degree of social and economic development; in many cases it might seem that the only thing the people really have in common is the color of their skin.

Still, despite these differences, there is an underlying unity in the problems faced by all of the new governments. For one thing, however they may differ in other respects, all the nations are young

without exception, each country's national boundaries were artificially drawn by the colonial powers to meet some political requirement quite external to the African people themselves. The fact that borders were established in this way creates an important similarity because it means that each of the new government must administer to and for a population which is far from homogeneous. In many cases, tribes are split in two, cities are divided, and people of the same language and cultural background owe allegiance to different flags.

Throughout most of Africa the strongest personal ties are to the family or to the tribe and not to the central government. There is a general distrust for any central government, be it foreign or otherwise. This means, for example, that direct taxation by a central government is not easily accomplished; for most of the people traditionally do not like direct taxation no matter by whom it is instituted, and they like it even less when it is instituted by what seems to them to be a faraway central government. And yet, the fact is that if the new African nations are to move in international circles, the governments of these nations must have revenue with which to operate and they must eliminate and replace the old chieftain-representative type of government because it is much too slow for modern needs.

Because the new African governments have many fundamental problems in common, and because Ghana, being the first of the new

advanced, an examination of Ghana's progress has been undertaken in the hope that from such an examination an insight might be gained into what can be expected from other new African governments in the years ahead. Ghana might, in fact, be a microcosm of the whole area of Africa south of the Sahara.

It has often been said that the character of a people or of an individual is formed early in their development. For that reason, the early history of the Gold Coast was examined. An attempt was made to give the reader some feeling for what sort of a place Ghana is and what kind of people inhabit the country. It was shown that the Gold Coast, and tropical African in general, was at first nothing more to the civilized world than a stretch of coastline. Later, it became a hunting ground for slaves, and, still later, was established as a British colony during the era of the European "Grab for Africa."

The British followed their traditional system of Colonial Government. Most of the authority in the Gold Coast Colony was originally in the hands of the Governor and his Legislative and Executive Councils; but, as time passed, the authority was gradually transferred to elected African officials so that by the time Ghana became the first independent Black African nation in 1957 most of the power was already in African hands.

beset other new African nations. Ghana's economy, though too dependent on one crop, was prospering. There was no racialism or neurotic nationalism. There was established an efficiently functioning civil service. There were educated leaders who were apparently well schooled in the democratic ways of the western world. The outlook was, indeed, bright.

Things have not, however, gone well in Ghana. Now, only five years after independence, the economy is tottering and Kwame Nkrumah has come to look more and more like a dictator. Most of Ghana's troubles are caused by Nkrumah's drive to become the Simon Bolivar of Africa. In the name of democracy and African unity he has abused civil liberties in Ghana and over-extended the economy almost to the breaking point.

Still, there is hope for Ghana. Nkrumah is, despite his faults, a more than capable leader. When he realizes, as he eventually must, that tiny Ghana cannot possibly support his extra-border ambitions, the country may yet find its proper place in the community of nations.

Ghana's experience would seem to lend support to the contention that independence does not change the world, it merely creates the right economic and political atmosphere for national regeneration. In the last analysis, freedom and civil liberties can prevail only where

The new African nations must learn to begin at the beginning and they must be given time to sort themselves out. They will all undergo growing pains; and we in the western world must be patient and we must find a way to harmonize our own interests with those of an awakened Africa.

We have the desire, the science, the energy, and the capital to help Africa develop. We must help because Africa must modernize and she will do it - with or without us. Either she will have the interest and the support of the West or she will be forced to look elsewhere for it.

We must not permit a country such as Ghana to fail; for if it fails a great hope may die out in Africa, and other hopes might be sought. But if it succeeds, then there may have begun the addition of a whole new continent to the political world - a continent which can be our friend.

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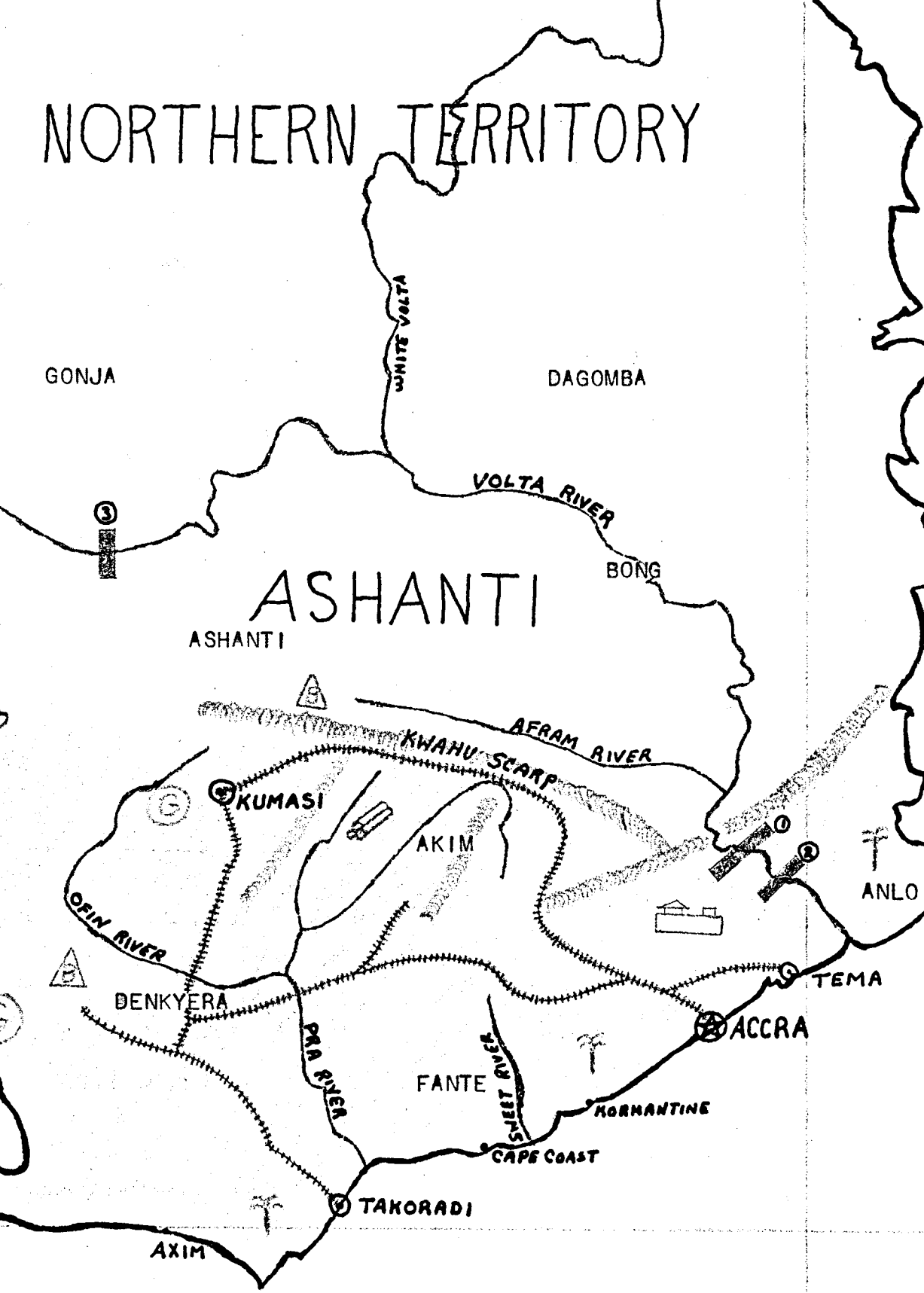
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APPENDIX

NORTHERN TERRITORY



TO THE MAP OF GHANA

SYMBOL

MEANING



GOLD FIELDS



BAUXITE MINES



TIMBER



PALM OIL

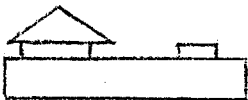


DAMS:

1. Akosombo
(Main Dam)
2. Kpong
3. Bui (Probably
will be built
by Russians)



Cocoa Producing
Area
(green tinted area)



Smelter

TYPED NAMES

Chief Tribal
Divisions



Railroads

- FANTE - Coastal area in the vicinity of Takoradi and Cape Coast.
- GA - Coastal area in vicinity of Accra.
- MOSHI - Western part of Northern Territory.
- EWE - Generally to the east of the Volta River as far north as the northern boundary of Ashanti.
- DAGOMBA - Eastern part of the Northern Territory.
- AKAN - Northern part of the "Colony" and generally throughout Ashanti.
- GUAN - All along the Black Volta and the Volta Rivers and in the area between the Volta and Afram Rivers.

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